OUDTSHOORN

MUNICIPALITY

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2008

Index

Contents	*Page*
General Information	1
Approval of the Financial Statements	2
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Accounting Policy	7 - 22
Notes to the Financial Statements	23 - 37
APPENDICES	
A Schedule of External Loans	38
B Analysis of Property, Plant and Equipment	39 - 40
C Segmental Analysis of Property, Plant and Equipment	41
D Segmental Statement of Financial Performance - Municipal Votes	42
D (1) Segmental Statement of Financial Performance - GFS Classifications	43
E (1) Actual Versus Budget (Revenue and Expenditure)	44
E (2) Actual Versus Budget (Acquisition of Property, Plant and Equipment)	45
F Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	46
G Appendix G: Implementation plan to comply with the requirements of General Recognised	46

OUDTSHOORN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

GENERAL INFORMATION

NATURE OF BUSINESS

Oudshoorn Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality WC045 (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Oudshoorn Municipality includes the following areas:
Oudshoorn, Dysselsdorp, De Rust, Armoed, De Hoop

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	D de Jager
Deputy Executive Mayor	JC Swartbooi
Speaker	J Coetzee
Executive Councillor	JD Swigelaar
Executive Councillor	G April
Executive Councillor	N Gunguluza

MUNICIPAL MANAGER

W Rabbets - Municipal Manager

CHIEF FINANCIAL OFFICER (ACTING)

Mr T Mathyssen - Chief Financial Officer

REGISTERED OFFICE

PO Box 255
Oudshoorn
6625

AUDITORS

Office of the Auditor General
Private Bag X1
CHEMPET
7442

PRINCIPLE BANKERS

ABSA
STANDARD BANK

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

2007 / 2008

MEMBERS OF THE OUDTSHOORN MUNICIPALITY

WARD	COUNCILLOR
1	J Olivier
2	P Nel
3	D de Jager
4	C Stemmet
5	J Harmse
6	J Coetzee
7	S Biljohn
8	G Nondumiso
9	E Ngalo
10	N Soman
11	K Wilton
12	A Gordon
Proportional	E Fortuin
Proportional	H Lamprecht
Proportional	M May
Proportional	C Ngalo
Proportional	B Pannas
Proportional	G Phillips
Proportional	EE September
Proportional	J Swartbooi
Proportional	JD Swigelaar
Proportional	C Wagenaar

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 65 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

W Rabbets **Date**

Municipal Manager

OUDTSHOORN MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		**177 201 001**	**164 991 436**
Housing Development Fund	**1**	1 629 680	2 503 701
Capital Replacement Reserve	**2**	5 877 022	5 877 022
Accumulated Surplus/(Deficit)		169 694 297	156 610 713
Non-current liabilities		**55 955 075**	**80 206 010**
Long-term liabilities	**3**	55 955 075	80 206 010
Current liabilities		**113 174 043**	**44 253 199**
Consumer deposits	**5**	4 044 676	3 809 363
Employee Benefits	**6**	3 454 414	3 522 539
Trade payables	**7**	49 283 495	19 065 942
Unspent conditional government grants and receipts	**8**	15 310 224	2 391 773
Cash and cash equivalents	**21**	16 273 656	10 130 670
Current portion of long-term liabilities	**3**	24 807 578	5 332 912
Total Net Assets and Liabilities		**346 330 118**	**289 450 647**
ASSETS			
Non-current assets		**195 726 947**	**181 397 827**
Property, plant and equipment	**11**	177 598 757	164 287 411
Intangible Assets	**14**	271 650	390 513
Investments	**15**	17 829 533	16 585 550
Long-term receivables	**16**	27 007	134 353
Current assets		**150 603 171**	**108 052 820**
Inventory	**17**	2 289 320	1 953 620
Trade receivables from exchange transactions	**18**	13 456 021	12 911 614
Other receivables from non-exchange transactions	**19**	13 528 941	25 212 658
Unpaid conditional government grants and subsidies	**8**	4 959 259	-
Taxes	**9**	1 154 108	467 005
Current portion of long-term receivables	**16**	31 292	-
Cash and cash equivalents	**21**	115 184 231	67 507 924
Total Assets		**346 330 118**	**289 450 647**

TB

TB 2008	Diff 2008	TB 2007	Diff 2007	
-1629680.41	0	(4 819 226)	(2 315 525)	beweging deur socna
-5877022.23	-	(30 571 477)	(24 694 454)	surplus
-169 694 298.22	-0.74	-136 755 490.11	19 855 223	surplus
	-		-	
-80762652.34	(24 807 578)	(82 760 646)	(2 554 635)	
	-		-	
-4044676.47	-	(3 809 363)	-	
-3454413.56	-	(3 522 539)	-	
-47206397.32	2 077 098	(21 705 346)	(2 639 404)	
-10350964.94	4 959 259	(12 248 658)	(9 856 885)	
	16 273 656		10 130 670	
	24 807 578		5 332 912	
	-		-	
(321 865 997)		**(295 649 815)**		
	-		-	
	-		-	
	-		-	
177598757	0.10	156 007 522	8 279 889	8 426 799
271649.63	0.00	-	390 513	2 595 911
17829533.28	-	16 585 546	4	2 595 911
58299.04	(31 292)	134 353	-	-2 934 150.01
	-		-	
2289319.73	-	1 953 620	-	
2044354.61	11 411 667	4 427 867	8 483 747	7 013 313
22863509.41	(9 334 569)	37 558 881	(12 346 224)	
	4 959 259		-	
	1 154 108	195 162	271 843	10 350 965
	31 292		-	
98910574.8	16 273 656	66 671 327	836 597	
	-		-	
321 865 997		**283 534 278**		
	-			

OUDTSHOORN MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
REVENUE			
Revenue from Non-exchange Transactions		**70 762 520**	**45 196 199**
Taxation revenue		**29 765 724**	**30 535 043**
Property rates	**22**	29 765 724	30 535 043
Transfer revenue		**40 239 612**	**14 099 041**
Government grants and subsidies	**24**	40 239 612	14 099 041
Other non-exhange revenue		**757 184**	**562 114**
Fines		726 825	562 114
Third party payments		30 359	-
Revenue from Exchange Transactions		**130 532 612**	**124 648 245**
Service charges	**23**	106 672 010	97 918 731
Rental of facilities and equipment		1 824 729	1 837 629
Interest earned - external investments		12 088 589	14 390 231
Interest earned - outstanding debtors		1 441 015	2 057 624
Licences and permits		1 187 537	1 366 533
Income from agency services		2 853 026	1 792 096
Other income	**25**	4 465 706	5 285 401
Total Revenue		**201 295 131**	**169 844 444**
EXPENDITURE			
Employee related costs	**26**	58 904 551	63 661 406
Remuneration of Councillors	**27**	4 794 410	4 579 244
Contribution to Bad debts provision	**28**	1 942 123	2 173 534
Depreciation and amortisation	**12,14 & 15**	14 251 801	13 281 907
Impairments		704 582	-
Repairs and maintenance		10 075 021	6 432 885
Interest paid	**29**	9 493 502	9 592 062
Bulk purchases	**30**	33 480 167	31 534 727
Contracted services		2 739 251	-
Grants and subsidies paid	**31**	364 979	74 227
Operating Grant Expenditure	**App "F"**	29 574 846	-
General expenses	**32**	22 799 521	30 006 817
Total Expenditure		**189 124 754**	**161 336 810**
Operating Surplus for the year		**12 170 377**	**8 507 634**
Gains on disposal of property, plant and equipment		39 176	-
SURPLUS/(DEFICIT) FOR THE YEAR		**12 209 554**	**8 507 634**
NET SURPLUS/(DEFICIT) FOR THE YEAR		**12 209 554**	**8 507 634**

Refer to Appendix E(1) for explanation of variances

OUDTSHOORN MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Housing Development fund	Capital Replacement Reserve	Insurance Reserve	Accumulated Surplus/ (Defecit)	Total
		R	R	R	R
2006					
Balance at 30 June 2006	-	-	(542 929)	6 573 445	6 030 517
Change in accounting policy - See Note 33.01	4 819 226	5 877 022	-	135 306 668	146 002 916
Correction of error - Notes 34.05	-	-	-	(7 825 385)	(7 825 385)
Restated balance	**4 819 226**	**5 877 022**	**(542 929)**	**134 054 728**	**144 208 047**
2007					
Net surplus/(deficit) for the year		-	-	8 507 634	8 507 634
Transfer from/(to) Housing Development Fund	(2 315 525)	-	-	2 315 525	-
Balance at 30 June 2007	**2 503 701**	**5 877 022**	**(542 929)**	**144 877 887**	**152 715 682**
			-		
2008					
Correction of error - Notes 34.05		-		12 275 755	12 275 755
Change in accounting policy - See Note 33.01		-	542 929	(542 929)	-
Restated balance	**2 503 701**	**5 877 022**	**-**	**156 610 713**	**164 991 436**
Net surplus/(deficit) for the year	-	-	-	12 209 554	12 209 554
Rounding				10	10
Transfer from/(to) Housing Development Fund	(874 021)	-	-	874 021	-
Balance at 30 JUNE 2008	**1 629 680**	**5 877 022**	**-**	**169 694 297**	**177 201 000**
			-		

OUDTSHOORN MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008
CASH FLOW FROM OPERATING ACTIVITIES		
Cash receipts from ratepayers, government and other		197 964 031
Cash paid to suppliers and employees		(125 943 096)
Cash generated from/(utilised in) operations	**35**	**72 020 935**
Interest received		12 088 589
Interest paid		(9 493 502)
NET CASH FROM OPERATING ACTIVITIES		**74 616 023**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(27 414 439)
Proceeds on disposal of fixed assets		40 072
Increase in Intangible Assets		(30 740)
(Increase)/decrease in long-term receivables		107 345
(Increase)/decrease in non-current investments		(1 243 983)
NET CASH FROM INVESTING ACTIVITIES		**(28 541 745)**
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans raised/(repaid)		(4 776 270)
Increase in consumer deposits		235 314
NET CASH FROM FINANCING ACTIVITIES		**(4 540 956)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**41 533 322**
Cash and cash equivalents at the beginning of the year		**57 377 253**
Cash and cash equivalents at the end of the year		**98 910 575**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**41 533 322**

Comparivie figures not provided in terms of the transitional provisions in GRAP 1.142.

		2008 R	2007 R
1	**HOUSING DEVELOPMENT FUND**		
	Housing Development Fund	1 629 680	2 503 701
	Unappropriated Surplus	1 629 680	2 503 701
	Total Housing Development Fund Assets and Liabilities	**1 629 680**	**2 503 701**
2	**NETT ASSET RESERVES**		
	RESERVES	5 877 022	5 877 022
	Capital Replacement Reserve	5 877 022	5 877 022
	Insurance Reserve	-	(542 929)
	Less: Change in Accounting Policy - Note 33	-	542 929
	Sub-total	5 877 022	5 877 022
	Total Nett Asset Reserve Assets and Liabilities	**5 877 022**	**5 877 022**
3	**LONG TERM LIABILITIES**		
	Annuity Loans - At amortised cost	22 090 948	23 452 622
	Department of Water Affairs	-	15 462
	Development Bank	56 053 892	59 292 561
	Capitalised Lease Liability - At amortised cost	2 617 812	2 778 280
	Correction of Long-term Liabilities error from Surplus - Note 34.05		-4
	Sub-total	**80 762 652**	**85 538 922**
	Less : Current portion transferred to current liabilities	**(24 807 578)**	**(5 332 912)**
	Annuity Loans	(23 931 185)	(4 600 343)
	Finance Leases	(876 393)	(732 569)
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**55 955 075**	**80 206 010**

The obligations under finance leases are scheduled below:	**Minimum lease payments**	
Amounts payable under finance leases:		
Payable within one year	1 143 318	987 857
Payable within two to five years	2 013 760	2 466 877
Payable within two to five years	-	-
	3 157 078	3 454 734
Less: Future finance obligations	(539 267)	-676 453
Present value of lease obligations	**2 617 812**	**2 778 280**

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance leases.
Leases are secured by property, plant and equipment - Note 11

ANNUITY LOANS

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 49

4 NON-CURRENT EMPLOYEE BENEFITS

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 49

4.01 **Retirement funds**

CAPE JOINT PENSION FUND

This fund comprises a defined benefit section and a defined contribution section. The Cape Joint Pension Fund is a multi-employer plan and the contribution rate payable is 9%, by the members and 18% by Council. In respect of the defined benefit section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R182,733 (R 200,209) million with a funding level of 106,5% (107,1%), and is in a sound financial state as at 30 June 2008.

CAPE JOINT RETIREMENT FUND

This fund comprises a defined benefit section and a defined contribution section. The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. In respect of the defined contribution section the last valuation performed for the year ended 30 June 2008 (30 June 2007) revealed that the fund had an actuarial surplus of R12,033 (R 20,22) million with a funding level of 103,3% (105.3%) and is in a sound financial position as at 30 June 2008.

MUNICIPAL COUNCILLORS PENSION

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and council (15%). The financial statements of the fund have not been audited since June 2006 and the financial position of the fund is not available.

		2008 R	2007 R
5	**CONSUMER DEPOSITS**		
	Water	2 154 918	2 059 645
	Electricity	1 877 108	1 735 718
	Other	12 650	14 000
	Total Consumer Deposits	**4 044 676**	**3 809 363**
	The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
6	**EMPLOYEE BENEFITS**		
	Performance Bonuses	179 375	-
	Staff Leave	3 275 039	3 522 539
	Total Employee Benefits	**3 454 414**	**3 522 539**
	Staff Leave Reconciliation		
	Balance at beginning of year	3 522 539	-
	Contribution during the year	3 275 039	3 522 539
	Paid out during the year	(3 522 539)	-
	Balance at end of year	**3 275 039**	**3 522 539**
	Performance Bonuses		
	Balance at beginning of year	-	-
	Contribution during the year	179 375	-
	Balance at end of year	**179 375**	**-**
	TOTAL - CURRENT EMPLOYEE BENEFITS		
	Balance at beginning of year	3 522 539	-
	Contribution during the year	3 454 414	3 522 539
	Expenditure incurred	(3 522 539)	-
	Balance at end of year	**3 454 414**	**3 522 539**
7	**TRADE PAYABLES**		
	Sundry Payables		
	Trade payables	13 372 722	4 084 563
	Correction of Trade Payables error from Surplus - Note 34.05	-	(2 639 404)
	Payment received in advance	2 077 098	
	Other Creditors	33 302 484	17 620 783
	Deposits: Other	531 191	-
	Total Trade Payables	**49 283 495**	**19 065 942**
8	**UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**		
8.01	***Conditional Grants from other spheres of Government***		
	Unspent conditional government grants and receipts	15 310 224	12 248 658
	Correction of Unspent Conditional Government Grants and Receipts error from Surplus - Note 34.05	-	(9 856 885)
	Unpaid conditional government grants and subsidies	(4 959 259)	-
	Total Conditional Grants and Receipts	**10 350 965**	**2 391 773**
	See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
9	**TAXES**		
	VAT receivable	1 154 108	195 162
	Correction of error - Note 34.13		271 843
		1 154 108	**467 005**
	VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.		
10	**SHORT-TERM LOANS**		
	The Municipality has no short term loans.		

Propert, Plant and Equipment note fits in here - on separate worksheet

		2008 R	2007 R
12	**NON-CURRENT ASSETS HELD FOR SALE**		
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 50		
13	**INVESTMENT PROPERTY**		
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 50		
14	**INTANGIBLE ASSETS**		
	Carrying values at the beginning of the year	**390 513**	**774 396**
	Cost	2 433 130	4 157 216
	Expenditure incorrectly included under Intangibles transferred to Acc Surplus - Note 34.09		(2 463 279)
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.09		739 193
	Accumulated amortisation	(2 042 617)	(3 318 993)
	Expenditure incorrectly included under Intangibles transferred to Acc Surplus - Note 34.1		2 171 123
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.1		(510 864)
	Acquisition for the year	30 740	-
	Amortisation for the year	(149 603)	(383 883)
	Carrying values at the end of the year	271 650	390 513
	Cost	**2 463 870**	**2 433 130**
	Accumulated amortisation	**(2 192 221)**	**(2 042 617)**
	Total Intangible Assets	**271 650**	**390 513**
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 50		
15	**INVESTMENTS**		
	Financial Instruments		
	Unlisted		
	Long term deposits	17 829 533	16 585 546
	Correction of Investments rounding error from Surplus - Note 34.05		4
	Total Investments	**17 829 533**	**16 585 550**
	Investments are made in terms of the municipality's Cash Management and Investment Policy, as required by means of Regulation R 308 of 1 April 2005 gazetted in the Government Gazette No 27431 of 1 April 2005 and issued by the Minister of Finance.		
16	**LONG TERM RECEIVABLES**		
	Housing Scheme Loans - At amortised cost	-	2 315 525
	Staff Car Loans - At amortised cost	52 181	84 689
	Sundry deposits - At amortised cost	6 118	49 664
	Housing Scheme Loans written-off - Note 34.01	-	(2 315 525)
		58 299	**134 353**
	Less : Current portion transferred to current receivables	**(31 292)**	**-**
	Staff Car Loans - At amortised cost	(31 292)	-
	Less: Provision for Impairment of Long Term Receivables		
	Total Long Term Receivables	**27 007**	**134 353**
17	**INVENTORY**		
	Consumable Stores - Stationery and materials - At cost	2 289 320	1 953 620
	Total Inventory	**2 289 320**	**1 953 620**
	Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice. Refer to Note 50		
18	**TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**		
	Water	11 475 889	10 202 549
	Electricity	5 466 833	4 836 134
	Housing Rentals	6 800	1 930 642
	Refuse	9 942 265	8 263 484
	Sewerage	11 822 921	9 826 760
	Other Arrears	4 441 482	8 701 479
	Payment received in advance	2 077 098	
	Total : Trade receivables from exchange transactions (before provision)	**45 233 289**	**43 761 047**
	Provision for impairments (including other receivables from non-exchange transactions)	(31 777 267)	(30 849 433)
	Total : Trade receivables from exchange transactions (after provision)	**13 456 021**	**12 911 614**
	The fair value of other receivables approximate their carrying value.		

		2008 R	2007 R
	(Electricity): Ageing		
	Current (0-30 days)	3 216 171	
	31 - 60 Days	687 583	
	61 - 90 Days	264 799	
	91 - 120 Days	166 604	
	121-365 Days	313 877	
	+ 365 Days	817 799	
	Total	**5 466 833**	**-**
	(Water): Ageing		
	Current (0-30 days)	1 207 452	
	31 - 60 Days	820 155	
	61 - 90 Days	776 536	
	91 - 120 Days	689 230	
	121-365 Days	3 101 477	
	+ 365 Days	4 881 039	
	Total	**11 475 889**	**-**
	(Rent): Ageing		
	Current (0-30 days)	12	
	31 - 60 Days	12	
	61 - 90 Days	12	
	91 - 120 Days	12	
	121-365 Days	12	
	+ 365 Days	6 739	
	Total	**6 800**	**-**
	(Refuse): Ageing		
	Current (0-30 days)	536	
	31 - 60 Days	31 074	
	61 - 90 Days	55 726	
	91 - 120 Days	28 271	
	121-365 Days	243 977	
	+ 365 Days	9 582 680	
	Total	**9 942 265**	**-**
	(Sewerage): Ageing		
	Current (0-30 days)	-66 373	
	31 - 60 Days	59 360	
	61 - 90 Days	98 116	
	91 - 120 Days	54 249	
	121-365 Days	390 413	
	+ 365 Days	11 287 156	
	Total	**11 822 921**	**-**
	(Other): Ageing		
	Current (0-30 days)	1 806 191	
	31 - 60 Days	194 179	
	61 - 90 Days	40 600	
	91 - 120 Days	46 644	
	121-365 Days	248 302	
	+ 365 Days	2 105 568	
	Total	**4 441 482**	**-**
	(Total): Ageing		
	Current (0-30 days)	6 163 989	
	31 - 60 Days	1 792 363	
	61 - 90 Days	1 235 789	
	91 - 120 Days	985 010	
	121-365 Days	4 298 059	
	+ 365 Days	28 680 982	
	Total	**43 156 191**	**-**
19	**OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS**		
	Rates	11 979 699	10 887 781
	Correction of error - Note 34.05	-	(3 862 477)
	Other debtors	10 883 810	26 671 101
		22 863 509	33 696 405
	Less : Provision for bad debts	(9 334 569)	(8 483 747)
	Total	**13 528 941**	**25 212 658**

		2008 R	2007 R
	Rates: Ageing		
	Current (0-30 days)	(138 143)	
	31 - 60 Days	413 356	
	61 - 90 Days	78 933	
	91 - 120 Days	74 313	
	121-365 Days	506 056	
	+ 365 Days	11 045 184	
	Total	**11 979 699**	**-**

The Provision for Impairment in Note 19 above include impairments for other receivables from non-exchange transactions.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

The fair value of other receivables approximate their carrying value.

The provision for doubtful debts on other debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

20 OPERATING LEASE ARRANGEMENTS

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice.

Leases (AC 105) Recognising operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

20.01 The Municipality as Lessee:

At the Statement of Financial Position date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Up to 1 year	41 581	118 254
2 to 5 years	732	42 313
More than 5 years	-	-
Total Operating Lease Arrangements	**42 313**	**160 568**

20.02 The Municipality as Lessor

At the Statement of Financial Position date, where the municipality acts as a lessor under non-cancellable operating leases, it will receive operating lease income as follows:

Up to 1 year	222 214	222 372
2 to 5 years	457 712	662 205
More than 5 years	59 375	77 096
Total Operating Lease Arrangements	**739 301**	**961 673**

21 CASH AND CASH EQUIVALENTS

Assets		
Bank Accounts	37 282 432	
Call Investment Deposit	77 893 565	67 500 490
Cash Floats	8 234	7 434
Total Cash and Cash Equivalents - Assets	**115 184 231**	**67 507 924**
Liabilities		
Bank Accounts	15 815 631	836 597
Restatement of bank balances - 30 June 2007 - Note 34.04	458 026	9 294 074
Total Cash and Cash Equivalents - Liabilities	**16 273 656**	**10 130 670**
Total Cash and Cash Equivalents	**98 910 575**	**57 377 253**

Call Investment Deposits to an amount of R 15310223.59 are held to fund the Unspent Conditional Grants (2007: R 2391773.35

The Municipality has the following bank accounts: -

Current Accounts		
Primary Account - Cash book balance beginning of the year:	(838 065)	24 359 445
Primary Account - Cash book balance end of the year:	(16 273 656)	(10 130 670)

	2008 R	2007 R
ABSA Bank Limited - Account Number 11-2000-0078:		
Bank statement balance at beginning of year	(245 343)	197 484
Bank statement balance at end of year	-	(245 343)
ABSA Bank Limited - Account Number 11-2000-0035:		
Bank statement balance at beginning of year	939 726	10 117 047
Bank statement balance at end of year	1 297 281	939 726
Standard Bank - Account Number 0000082796068:		
Bank statement balance at beginning of year	2 012 031	-
Bank statement balance at end of year	(364 554)	2 012 031
Standard Bank - Account Number 082795754:		
Bank statement balance at beginning of year	232 192	-
Bank statement balance at end of year	52 676	232 192
Standard Bank - Account Number 082795428:		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	3 413 923	-
Standard Bank - Account Number 082796181:		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	1 318	-
Standard Bank - Account Number 180686682:		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	173 978	-

22 PROPERTY RATES

Actual		
Rateable Land and Buildings	30 183 454	30 535 043
Less: Rebates	417 730	
Total Assessment Rates	**29 765 724**	**30 535 043**
Valuations - 1 July 2007		
Rateable Land and Buildings	**1 881 979 531**	**1 821 372 425**
Residential	1 089 758 950	1 032 164 650
Commercial	266 078 200	257 319 700
State	258 539 260	259 473 150
Pensioners	8 046 000	16 159 000
Church	73 706 370	73 218 320
Deviations	41 373 000	41 098 000
Agricultural	143 917 585	141 939 605
Building Clause	560 166	
Less: Income Foregone		
Total Assessment Rates	**1 881 979 531**	**1 821 372 425**

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2001. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

A rate in the rand for domestic properties of R 0.01759 was charged on site values. Business were charged at a rate in the rand of R 0.02387 on site values.

Properties used for domestic purposes and consisting of both land and improvements are subject to a R 15,000 valuation reduction. There are also different rebates and phased in tariffs for different sectors of the community. Interest on arrear accounts is charged at bank rate plus one.

Rates are levied monthly and payable by the 10th of the following month. Interest is levied at the 11.5% on outstanding monthly instalments.

23 SERVICE CHARGES

Electricity	62 668 554	58 067 381
Service charges	62 810 538	58 067 381
Less: Rebates	(141 984)	-
Water	24 238 315	20 443 797
Service charges	24 248 314	20 443 797
Less: Rebates	(9 999)	-
Refuse removal	7 703 466	6 575 827
Service charges	8 415 147	6 575 827
Less: Rebates	(711 681)	
Sewerage and Sanitation Charges	12 061 675	12 831 726
Service charges	12 988 993	12 831 726
Less: Rebates	(927 319)	
Total Service Charges	**106 672 010**	**97 918 731**

Electricity losses were calculated at 3.97% and water losses at 19%.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the notice.

Revenue (GAMAP 9): Initial measurement of fair value is discounting all future receipts using an imputed rate of interest. [SIACA Circular 09/06 and paragraph 12]

		2008 R	2007 R
24	**GOVERNMENT GRANTS AND SUBSIDIES**		
	Equitable Share	16 750 264	6 808 666
	Other Grants and subsidies	23 489 348	7 290 374
	Total Government Grants and Subsidies	**40 239 612**	**14 099 041**
25	**OTHER INCOME**		
	Admin fees	26 521	669 815
	Entry fees	-	173 467
	Tents	-	182 698
	Fees buildingplans	206 299	292 922
	Parking Fees	163 604	80 349
	Cemeteries	486 479	421 683
	Private telephone calls	102 967	128 184
	Sundries	3 417 007	3 336 283
	Rezoning and Usage	62 828	-
	Total Other Income	**4 465 706**	**5 285 401**
26	**EMPLOYEE RELATED COST**		
	Salaries and Wages	36 343 843	37 179 050
	Contributions for UIF	340 243	368 260
	Contributions for Pensions	6 526 319	10 116 449
	Contributions for Medical Aids	4 197 282	4 447 856
	Contributions for Group Insurance	403 598	393 525
	Travelling Allowance	1 198 065	1 318 517
	Telephone Allowance	219 204	-
	Standby Allowance	509 135	552 652
	Housing Benefits and Allowances	832 736	739 731
	Other Allowances	460 435	256 825
	Bargaining Council	40 076	-
	Overtime Payments	1 960 088	1 904 033
	Bonuses	3 445 940	2 839 153
	Severence Package	1 500 000	2 653 865
	Temporary Personnel	475 602	438 388
	Skills Development Levy	451 985	453 104
	Total Employee Related Costs	**58 904 551**	**63 661 406**
	KEY MANAGEMENT PERSONNEL		
	Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	Remuneration of the Municipal Manager		
	Annual Remuneration	812 250	976 558
	Traveling Allowance	120 000	
	Total	**932 250**	**976 558**
	Remuneration of Director : Corporate Services		
	Annual Remuneration	690 413	124 945
	Car Allowance	72 000	
	Contributions - UIF, Medical, Pension	41 194	
	Total	**803 607**	**124 945**
	1 July 2006 - 7 July 2006		
	Remuneration of the CFO		
	Annual Remuneration	-	242 757
	Total	**-**	**242 757**
	1 July 2006 - 10 September 2006		
	Remuneration of the Operational Manager		
	Annual Remuneration	-	690 708
	Total	**-**	**690 708**
27	**REMUNERATION OF COUNCILLORS**		
	Salaries	-	176 550
	Allowances - Councillors and Chairpersons of committees	4 628 616	4 359 355
	Pension fund contributions	165 794	39 196
	Medical aid contributions	-	2 697
	Group Insurance contributions	-	897
	UIF contributions	-	550
	Total Councillors' Remuneration	**4 794 410**	**4 579 244**

		2008 R	2007 R
	In-kind Benefits		
	The Executive Mayor, Executive Deputy Mayor, Speaker and Executive Committee Members are full-time Councillors. Each is provided with an office and shared secretarial support at the cost of the Municipality. The Executive Mayor may utilise official Council transportation when engaged in official duties.		
	Certification by the Municipal Manager		
	I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.		
	…….. **Signed: Municipal Manager**		
28	**CONTRIBUTION TO BAD DEBTS PROVISION**		
	Trade Receivables form exchange transactions - Note 18	1 942 123	2 173 534
	Total Contribution to Bad debts provision	**1 942 123**	**2 173 534**
29	**INTEREST PAID EXTERNAL BORROWINGS**		
	Interest Paid	9 493 502	9 592 062
	Total Interest on External Borrowings	**9 493 502**	**9 592 062**
30	**BULK PURCHASES**		
	Electricity	32 706 805	30 238 484
	Water	773 362	1 296 242
	Total Bulk Purchases	**33 480 167**	**31 534 727**
31	**GRANTS AND SUBSIDIES PAID**		
	Kango Marathon	-	10 000
	SWD Athletics	-	55 000
	Junior Councillors	-	9 227
	SPCA	100 000	-
	Local Tourism Bureau	264 979	-
	Total Grants and Subsidies	**364 979**	**74 227**
32	**GENERAL EXPENSES**		
	General Expenses	**22 799 521**	**30 006 817**
	General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.		
33	**CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3 - IMPLEMENTATION OF GAMAP/GRAP**		
	The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP:	**2007** **R**	**2006** **R**
33.01	***Statutory Funds***		
	Balance previously reported: -		
	Consolidated Capital Development and Loans Fund		60 420 742
	Study Support		92 669
	Struckture plan / Intergrated Development Framework		11 919
	Economic Development		128 590
	Housing Development Fund		4 819 226
	Parking Fund		94 742
	Reserves - Tariff stabilisation - Water		1 591 269
	Insurance Reserve	-542 929	
	Reserves - Maintenance		1 864 348
	Total	**-542 929**	**69 023 505**
	Implementation of GRAP		
	Transferred to the Capital Replacement Reserve		5 877 022
	Transferred to the Housing Development Fund		4 819 226
	Transfer to Accumulated Surplus/deficit - See Note 33.07 below	-542 929	58 327 257
	Total	**-542 929**	**69 023 505**
33.02	***Loans Redeemed and Other Capital Receipts***		
	Balance previously reported		186 335 916
	Transfer to Accumulated Surplus/deficit - See Note 33.07 below		186 335 916
	Total		**-**

		2007 R	2006 R
33.03	***Property, plant and equipment - GRAP 17***		
	Implementation of GRAP		
	Intangible Assets previously disclosed as Property, Plant and Equipment moved to Intangible Assets - Note 33.04		-4 157 216
	Finance Lease Assets restated out of surplus and creation of Finance Leases - Note 33.07	1 743 900	1 939 900
	Total	**1 743 900**	**-2 217 316**
33.04	***Intangible Assets***		
	Balance previously reported		
	Implementation of GRAP		
	Intangible Assets previously disclosed as Property, Plant and Equipment moved from PPE - Note 33.03		4 157 216
	Total		**4 157 216**
33.05	***Accumulated Amortisation***		
	Balance previously reported		
	Implementation of GRAP		
	Transfer to Accumulated Surplus/deficit - See Note 33.07		3 318 993
	Total		**3 318 993**
33.06	***Accumulated Depreciation - GRAP 17***		
	Balance previously reported		-
	Implementation of GRAP		106 468 156
	Backlog depreciation: Land and buildings		5 684 332
	Backlog depreciation: Infrastructure		80 218 554
	Backlog depreciation: Community		5 645 363
	Backlog depreciation: Leased assets		508 570
	Backlog depreciation: Other		14 411 337
	Transfer to Accumulated Surplus/deficit - See Note 33.07 below		**106 468 156**
33.07	***Accumulated Surplus/(Deficit)***		
	Implementation of GRAP		
	Transferred from statutory funds - Note 33.01	-542 929	58 327 257
	Transferred from Loans Redeemed and Other Capital Receipts - Note 33.02		186 335 916
	Finance Lease Assets restated out of surplus and creation of Finance Leases - Note 33.08 and Note 33.03		403 154
	Backlog Amortisation - Note 33.05		-3 291 502
	Backlog depreciation - Note 33.06		-106 468 156
	Total	**-542 929**	**135 306 668**
33.08	***Long-term Liabilities***		
	Balance previously reported		-
	Implementation of GRAP		
	Finance Lease Assets restated out of surplus and creation of Finance Leases - Note 33.07	-1 241 534	-1 536 746
	Total	**(1 241 534)**	**(1 536 746)**

34 CORRECTION OF ERROR IN TERMS OF GRAP 3

Prior year adjustments due to non-compliance with Accounting Policy

34.01	***Long Term Receivables***		
	Balance previously reported	12 732 929	
	Housing Scheme Loans written-off - Note 34.05	(2 315 525)	
	Restated amount for Long-term receivables	**10 417 404**	
34.02	***Other receivables from non-exchange transactions***		
	Balance previously reported		
	Correction of Other receivables from non-exchange transactions error from Surplus - Note 34.05	(273)	
	PPE formerly capitalized in KKRWS now reversed against the inter-company account - Note 34.06	(6 389 177)	-
	Correction of salaries suspense account - Note 34.05	2 526 973	
	Correction of Long ter receivables to current receivables - KKLWS - Note 34.14	10 283 051	
	Restated amount for Other receivables from non-exchange transactions	**6 420 574**	**-**
34.03	***Unspent Conditional Government Grants and Receipts***		
	Correction of Unspent Conditional Government Grants and Receipts error from Surplus - Note 34.05	9 856 885	
	Restated amount for Unspent Conditional Goverment Grants and Receipts	**9 856 885**	**-**
34.04	***Cash and Cash Equivalents***		
	Restatement of opening balances of all bank accounts - Note 34.05	(458 026)	(9 294 074)
	Balance 1 July	**(458 026)**	**(9 294 074)**
34.05	***Changes to Accumulated Surplus***		
	Housing Scheme Loans written-off - Note 34.01	(2 315 525)	
	Asset (Inventory Items) previously not disclosed credited to Accumulated Surplus - Note 34.06	-	
	Correction of Investments rounding error from Surplus - Note 34.08	4	
	Correction of Long-term Liabilities error from Surplus - Note 34.11	4	
	Correction of Trade Payables error from Surplus - Note 34.12	2 639 404	
	Correction of Unspent Conditional Government Grants and Receipts error from Surplus - Note 34.03	9 856 885	
	Correction of Other receivables from non-exchange transactions error from Surplus - Note 34.02	(273)	
	Restatement of computer software previously expensed - At Cost - Note 34.09 & 34.1	40 352	(332 508)
	Correction of salaries suspense account - Note 34.12	2 526 973	
	Restatement of opening balances of all bank accounts - Note 34.04	(458 026)	(9 294 074)
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 - Note 34.06 & 34.07	(14 043)	-
	Net increase/(decrease) in Accumulated Surplus	**12 275 755**	**(7 825 385)**

		2007 R	2006 R
34.06	***Property, Plant and Equipment***		
	Correction of 2006/2007 AG Query: Asset Disposals (Inventory Items) during 2006/2007 not recorded - Note 34.07	(650)	
	PPE formaly capitalized in KKRWS now reversed against the inter-company account - Note 34.02	6 389 177	
	Vat on PPE formaly capitalized in KKRWS now reversed against taxes - Note 34.13	(277 201)	
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 not recored - Note 34.07 & 34.05	(635 900)	
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.09		(739 193)
	Net increase in Property, Plant and Equipment - Note 11	**5 475 426**	**(739 193)**
34.07	***Accumulated Depreciation***		
	Asset (Inventory Items) previously not disclosed - Note 33.06	(218 710)	1 801 197
	Correction of 2006/2007 AG Query: Asset Disposals (Inventory Items) during 2006/2007 not recorded - Note 34.06	650	
	Correction of 2006/2007 AG Query: Asset Disposals during 2006/2007 not recorded - Note 34.06 & 34.05	621 856	
	Depreciation on PPE formaly capitalized in KKRWS now recognised - Note 33.06	(281 087)	
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.1	65 679	445 186
	Net increase in Property, Plant and Equipment - Note 11	**188 388**	**2 246 382**
34.08	***Investments***		
	Correction of Investments rounding error from Surplus - Note 34.05	4	
	Net increase in Intangible Assets credited to Accumulated Surplus - Note 34.05	**4**	**-**
34.09	***Intangible Assets***		
	Expenditure incorrectly included under Intangibles transferred to Acc Surplus - Note 34.1 & 34.05		(2 463 279)
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.06		739 193
	Net increase in Intangible Assets credited to Accumulated Surplus - Note 34.05	**-**	**(1 724 086)**
34.10	***Accumulated Amortisation***		
	Expenditure incorrectly included under Intangibles transferred to Acc Surplus - Note 34.09 & 34.05	40 352	2 130 771
	Intangible assets incorrectly included under PPE transferred to Intangibles - Note 34.07	(65 679)	(445 186)
	Net increase in Intangible Assets credited to Accumulated Surplus - Note 34.05	**(25 326)**	**1 685 585**
34.11	***Long-term liabilities***		
	Correction of Long-term Liabilities rounding error from Surplus - Note 34.05	4	
	Net increase in Long-term liabilities - Note 3	**4**	**-**
34.12	***Trade Payables***		
	Correction of Trade Payables duplicated in prior year - Note 34.05	2 639 404	
	Correction of salaries suspense account - Note 34.05	2 526 973	
	Provision of severance package in the previous period not recognised - Note 26	2 133 418	
	SDL not accounted for the year - Note 7 under Other Creditors	453 104	
	Net increase in trade payables - Note 7	**7 752 899**	**-**
34.13	***Taxes***		
	Vat on PPE formaly capitalized in KKRWS now reversed against taxes - Note 34.06	271 843	
	Net increase in trade payables - Note	**271 843**	**-**
34.14	***Long Term Receivables***		
	Correction of Long ter receivables to current receivables - KKLWS - Note 34.02	(10 283 051)	-
	Restated amount for Long Term Recivables transactions	**(10 283 051)**	**-**

		2008 R	2007 R
35	**CASH GENERATED BY OPERATIONS**		
	Surplus for the year	12 209 554	
	Adjustment for:		
	Depreciation and amortisation	14 251 801	
	Gain on disposal of property, plant and equipment	(39 176)	
	Contribution to Employee Benefits – current	3 454 414	
	Contribution to Employee Benefits – current - Expenditure incurred	(3 522 539)	
	Contribution to Employee Benefits – Bad debt	1 942 123	
	Bad debts written off	(239 510)	
	Investment income	(12 088 589)	
	Interest paid	9 493 502	
	Operating surplus before working capital changes:	**25 461 577**	
	(Increase)/Decrease in inventories	(335 700)	
	(Increase)/decrease in Trade receivables from exchange transactions	(1 472 242)	
	(Increase)/Decrease in Current Portion of Long-term Receivables	44 762	
	(Increase)/decrease in Other receivables from non-exchange transactions	10 832 895	
	(Decrease)/increase in unspent conditional grants and receipts	12 918 450	
	Decrease/(increase) in unpaid conditional grants and receipts	(4 959 259)	
	Increase(decrease) in creditors	30 217 553	
	(Increase)/decrease in VAT	(687 103)	
	Cash generated by/(utilised in) operations	**72 020 935**	
36	**CASH AND CASH EQUIVALENTS**		
	Cash and cash equivalents included in the cash flow statement comprise the following :		
	Short-term Investment deposits, Bank balances and cash - Note 21	115 184 231	67 507 924
	Bank overdraft - Note 21	(16 273 656)	(10 130 670)
	Total cash and cash equivalents	**98 910 575**	**57 377 253**

		2008 R	2007 R
37	**UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION**		
	Long-term liabilities - Note 3	80 762 652	85 538 922
	Used to finance property, plant and equipment – at cost	(80 762 652)	(85 538 922)
	Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

38 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

***38.01* Unauthorised expenditure**

Reconciliation of unauthorised expenditure		
Opening balance	-	-
Unauthorised expenditure current year	42 535 226	
Approved by Council or condoned	(42 535 226)	
Unauthorised expenditure awaiting authorisation	**-**	**-**

Incident	Disciplinary steps/criminal proceedings
Over expenditure of approved budget	*None*

***38.02* Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	178 542	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	**178 542**	-

Incident	Disciplinary steps/criminal proceedings
Cliam of cost of own legal representive - MN Pietersen R17 542	*Employee dismissed*
Legal costs in respect of aborted disciplinary proceedings agains the formal Municipal Manager (Mr. M. May)- R161 000	*None*

***38.03* Irregular expenditure**

Reconciliation of irregular expenditure		
Opening balance	-	-
Irregular expenditure current year	3 126 203	-
Irregular expenditure awaiting condonement	3 126 203	-

Incident	Disciplinary steps/criminal proceedings
Non-compliance with Supply Chain Management Policy - R2986777.31 + R27 368	*None*
Municipal Manager received performance bonus extra after it was already included in his pervormace contract annual remuneration. R112 058	*None*

39 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

***39.01* Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

Non-compliance to the Supply Chain Management Regulations were identified on the following categories:-

	Less than R 30,000	Between R 30,000 and R 200 000	Between R 200,001 and R 2,000,000	More than R 2,000,001
Executive & Council	27 368			
	27 368	-	-	-

***39.02* Non-compliance with the Preferential Procurement Policy Framework Act (Act no. 5 of 2000) (PPPFA)**

(a) The municipality did not comply with paragraph 7 of the PPPFA, the municipality did not stipulate the preference point system which would be applied in the adjudication of the tenders on the tender advertisements for the following suppliers:

No.	Tender no.	Tender description	Tender date	Successful tenderer	Tender amount
1	70/2007	The supply & installation of the synthetic re-surfacing & new surfacing of the De Jager Sport Complex	21-Sep-07	Joint Masters CC	277,514.76
2	ED 16/2008	Generator tender	28-Mar-08	Tasslelane Technologies (Pty) Ltd	117,672.89
3	29/2008	Bridgton neighbourhood development	4-Apr-08	Nebavest (Pty) Ltd	718,200.00
4	27/2008	Construction of ninth avenue	4-Apr-08	RJEV General Trading	252,220.70
5	27/2008	Construction of ninth avenue	4-Apr-08	RJEV General Trading	228,961.59
6	Tender 2	Cango caves maintenance	18-Apr-08	DIY Depot	99,000.00
7	-	Supply and delivery of plastic refuse bags	16-May-08	Outeniqua Plastics (Pty) Ltd	324,860.61

(b) It was identified that the municipality would advertise that a tender would be evaluated on the 80/20 scoring principle; however, when tenders are evaluated the 90/10 principle is used. This process is not fair and transparent, as tenders should be evaluated on the scoring principles based on the R500 000 threshold, i.e. tender below R500 000 should be evaluated on the 80/20 principle and tenders in excess of R500 000 should be evaluated on the 90/10 principle. The table below refers to examples identified:

No.	Tender no.	Tender description	Tender date	Successful tenderer	Tender amount
1	70/2007	The supply & installation of the synthetic re-surfacing & new surfacing of the De Jager Sport Complex	21-Sep-07	Joint Masters CC	R277 514.76
2	29/2008	Bridgton neighbourhood development	4-Apr-08	Nebavest (Pty) Ltd	R718 200.00

© Tender 29/2008 awarded to Nebavest (Pty) Ltd (consultant) for an amount of R718 200 for Bridgton Neighbourhood Development was not evaluated for functionality as required by paragraph (8)(1) of the PPPFA.

		2008 R	2007 R
40	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	- Approved and contracted for	4 329 868	9 668 185
	Infrastructure	3 483 242	9 668 185
	Land and Buildings	846 626	-
	Total	**4 329 868**	**9 668 185**
	This expenditure will be financed from:		
	- Capital Replacement Reserve	1 550 525	-
	- Government Grants	2 779 342	9 668 185
		4 329 868	**9 668 185**

41 RETIREMENT BENEFIT INFORMATION

Council employees contribute to the Cape Joint Municipal Pension Fund, SALA and SAMWU National Provident Fund which is a defined contribution fund. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs. Full actuarial valuations are performed at least every five years. The last valuations was done on 30 June 2008.

42 FINANCIAL RISK MANAGEMENT

Financial Risk Management

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign exchange currency risk

The municipality does not engage in foreign currency transactions.

(b) Interest rate Risk

The Municipality is exposed to interest rate risk due to the movements in long-term and short term interest rates.

This risk is managed on an ongoing basis.

(c) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted.

(d) Liquidity Risk

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources.

(e) Other risks

Potential concentrations of credit risk and interest rate risk consist mainly of fixed deposit investments, long-term

The municipality limits its counterparty exposures from its money market investment operations by only dealing

Consumer debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical

In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for

The maximum credit and interest risk exposures in respect of the relevant financial instruments are as follows:

Fixed Deposit Investments	17 829 533	
Long Term Receivables	27 007	
Trade receivables from exchange transactions	43 761 047	
Other receivables from non-exchange transactions	13 528 941	
Unpaid conditional grants and subsidies	4 959 259	
Short Term Investment Deposits	77 893 565	
Bank and Cash Balances	37 290 666	
Maximum Credit and Interest Risk Exposures	**195 290 018**	**-**

			2008	2007
43	**FINANCIAL INSTRUMENTS**		**R**	**R**

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

Financial Assets	**Classification**		
Investments			
Fixed Deposits	Held to maturity	17 829 533	
Long-term Receivables			
Staff loans	Loans and receivables	20 890	
Sundry deposits	Loans and receivables	6 118	
Consumer Debtors			
Service Debtors	Loans and receivables	13 456 021	
Other Debtors			
Rates	Loans and receivables	11 979 699	
Sundry Debtors	Loans and receivables	10 883 810	
Government Subsidies and Grants	Loans and receivables	4 959 259	
Current Portion of Long-term Receivables			
Staff loans	Loans and receivables	31 292	
Short-term Investment Deposits			
Call Deposits	Loans and receivables	77 893 565	
Bank Balances and Cash			
Bank Balances	Loans and receivables	37 282 432	
Cash Floats and Advances	Loans and receivables	8 234	
SUMMARY OF FINANCIAL ASSETS			
Held to maturity:			
Investments	Fixed deposits	17 829 533	
		17 829 533	-
Loans and Receivables			
Long-term Receivables	Staff loans	20 890	
Long-term Receivables	Sundry deposits	6 118	
Short-term Investment Deposits	Call deposits	77 893 565	
Bank Balances		37 282 432	
Cash Floats and Advances		8 234	
Consumer Debtors	Services	43 761 047	
Other Debtors	Rates	11 979 699	
Other Debtors	Sundry debtors	10 883 810	
Other Debtors	Government subsidies and grants	4 959 259	
		186 795 054	
Total Financial Assets		**204 624 587**	-

44 EVENTS AFTER THE REPORTING DATE

- The Municipal Manager was dismissed after reporting date and an acting Municipal Manager was appointed.

45 IN-KIND DONATIONS AND ASSISTANCE

The municipality received the following in-kind donations and assistance:

Organisation	**Contribution towards:**
DBSA	Secondment of Staff

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year 2007/2008.

47 COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E

		2008 R	2007 R
48	**REALATED PARTIES**		

Key Management and Councillors receive and pay for services on the same terms and conditions as other

48.01	**Related Party Transactions**	**Cell Phone**	**Bonus**	**Other**	**Outstanding balances**
	Year ended 30 June 2008				
	Councillors				
	J Griebelaar	21 499	3 576	11 405	36 480
	A Britz	18 743		6 227	24 970
	J Jansen	23 503		13 432	36 934
	N Gangatele	18 569		14 469	33 038
	K Windvogel	25 735	7 156	38 225	71 116
	E Damons	22 403		13 455	35 858
	MP May	3 212		2 873	6 084
	J Loff	18 712	2 775	17 133	38 620
	Retief	294			294
	N Gangatela	4 786			4 786
	B Blaauw	33 171			33 171
	P Luiters	1 976			1 976
	Abrahams	2 943			2 943
	A Le Kay	46 585		14 597	61 183
	B Le Roux	2 129			2 129
	Duvenhage	645			645
	Potgieter	4 541			4 541
	Vd Westhuizen	3 542			3 542
	W Kawa	36 249		10 773	47 023
	G April	3 766		21 433	25 199
	J Harmse	34 516		10 773	45 289
	En Ngalo	12 240		10 773	23 013
	Cn Ngalo	-		10 773	10 773
	Gn Gunguluza	55 896		18 109	74 005
	Gz Phillips	109 522		10 773	120 295
	Jc Swartbooi	44 281		24 094	68 375
	Cj Stemmet	-		5 596	5 596
	E Fortuin	42 711		8 558	51 268
	M May	78 121		5 216	83 337
	C Wagenaar	31 559		7 335	38 894
	J Swigelaar	764		-	764
	S Soman	32 134		8 558	40 691
	S Billy	9688.58		8 558	18 246
	S Biljohn	17930.01		-	17 930
	B Pannas	32 527		8 558	41 084
	P Nel	-		-	-
	J Coetzee	0		1 500	1 500

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

48.02 **Related Party Loans**

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

48.03 **Compensation of key management personnel**

The compensation of key management personnel is set out in note 26 to the Annual Financial Statements.

48.04 **Other related party transactions**

The following purchases were made during the year where Councillors or staff have an interest:

Councillor/Staff member:	Entity:	
B Maksella	Autumn Skies Trading 187cc	39 981

48.05 **Joint Venture**

Oudtshoorn Municipality and Kannaland Municipality are in a Joint venture with the KKLWS (Klein Karoo Landelike Watervoorsienings skema). Exception was taken on Consolidated Financial statements. Joint venture is not an entity of the municipality and therefore on Annual Financial Statements were attached.

49 **Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice.**

49.01 • Financial Instruments: Recognition and Measurement (AC133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]

49.02 • Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.

49.03 [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105)]

49.04 • Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

49.05 • Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.

49.06 • Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in

49.07 • Inventories: The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17. The entire standard to the extent that it

49.08 • Employee benefits: Exempted compliance with AC 116 (Employee benefits) with regards to defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (paragraphs 29, 48 - 119 and 120A(c) - (q))

49.09 • Accounting for Government Grants and Disclosure of Government Assistance (AC134) Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

49.10 • Segment Reporting (AC115) Entire Standard

49.11 • Operating Segments (AC146) Entire Standard

49.12 • Construction Contracts (AC109) Entire Standard

49.13 • Business Combinations (AC140) Entire Standard

Since the previous reporting date the following Investment Properties were measured at fair value in accordance with GRAP 16 and restated retrospectively:

Land with undetermined use;
Land;
Buildings; and
Land and Buildings.
Total not previously recognised now restated retrospectively

49.14 GRAP 102 - Intangible Assets

not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

Computer Software;
Intangible assets financed by way of finance leases;
Intangible assets transferred as a result of the transfer of functions; and
Servitudes.

inclusion in the 2010 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

Since the previous reporting date the following Intangible Assets were measured in accordance with GRAP 102 and restated retrospectively:

Computer software;
Accumulated amortisation on computer software
Total not previously recognised now restated retrospectively

49.15 GRAP 12 - Inventories

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in March 2009. The municipality did

Unpurified Water;
Land held for sale
Other (list).

The municipality is currently in a process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for

Since the previous reporting date the following inventories were measured in accordance with GRAP 12 and restated retrospectively:

Water;
Land held for sale; and
Other (list).

50 Process to comply fully with the implementation of General Recognised Accounting Practices (GRAP)

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2009. The municipality, however, took advantage of the transitional provisions in Directive 4 from the Accounting Standards Board and aims to comply fully with GRAP by 30 June 2010.

11 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2008

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Leased Assets	Other	Total
	R	R	R	R	R	R	R
Carrying values at 1 JULY 2007	**28 287 934**	**109 546 518**	**14 049 652**	**-**	**2 593 020**	**9 810 287**	**164 287 411**
Cost	34 819 046	198 510 203	20 535 658	-	3 683 800	24 967 335	282 516 042
Accumulated Depreciation	(6 531 112)	(88 963 685)	(6 486 006)	-	(1 090 780)	(15 157 048)	(118 228 631)
Acquisitions	**2 965 060**	**21 067 151**	**548 793**	**2 970**	**572 100**	**2 258 366**	**27 414 439**
Depreciation	**(967 573)**	**(9 436 660)**	**(829 540)**	**(27)**	**(795 323)**	**(2 073 073)**	**(14 102 197)**
Normal depreciation	(967 573)	(9 436 660)	(829 540)	(27)	(795 323)	(2 073 073)	(14 102 197)
Carrying value of disposals	**-**	**-**	**-**	**-**	**-**	**(896)**	**(896)**
Cost	-	-	-	-	-	(65 932)	(65 932)
Accumulated depreciation	-	-	-	-	-	65 036	65 036
	30 285 421	**121 177 009**	**13 768 904**	**2 942**	**2 369 797**	**9 994 684**	***177 598 757***
Carrying values at 30 JUNE 2008	**30 285 421**	**121 177 009**	**13 768 904**	**2 942**	**2 369 797**	**9 994 684**	**177 598 757**
Cost	***37 784 107***	***219 577 354***	***21 084 451***	***2 970***	***4 255 900***	***27 159 768***	***309 864 549***
Cost	*37 784 107*	*219 577 354*	*21 084 451*	*2 970*	*4 255 900*	*27 159 768*	*309 864 549*
Accumulated depreciation	***(7 498 685)***	***(98 400 345)***	***(7 315 546)***	***(27)***	***(1 886 103)***	***(17 165 085)***	***(132 265 792)***
Cost	*(7 498 685)*	*(98 400 345)*	*(7 315 546)*	*(27)*	*(1 886 103)*	*(17 165 085)*	*(132 265 792)*

30 JUNE 2007

Reconciliation of Carrying Value	Land and Buildings	Infrastructure	Community	Heritage	Leased Assets	Other	Total
	R	R	R	R	R	R	R
Carrying values at 1 JULY 2006	**25 935 316**	**105 933 205**	**14 646 870**	**-**	**1 431 330**	**10 225 749**	**158 172 469**
Cost after restatement	***31 619 074***	***186 144 231***	***20 234 770***	***-***	***1 939 900***	***24 253 287***	***264 191 262***
Cost before restatement	*31 619 074*	*186 144 231*	*20 234 770*			*29 149 696*	*267 147 771*
Correction of error - Note 34.06						*(739 193)*	*(739 193)*
Change in accounting policy - Note 33.03					*1 939 900*	*(4 157 216)*	*(2 217 316)*
Accumulated depreciation after restatement	***(5 683 758)***	***(80 211 026)***	***(5 587 899)***	***-***	***(508 570)***	***(14 027 538)***	***(106 018 792)***
Accumulated depreciation before restatement	*(5 684 332)*	*(80 218 554)*	*(5 645 363)*			*(15 901 643)*	*(107 449 892)*
Correction of error - Note 34.07						*(1 824 509)*	*(1 824 509)*
Correction of error - Note 34.07	*574*	*7 528*	*57 463*			*379 621*	*445 186*
Change in accounting policy - Note 33.05					*(508 570)*	*3 318 993*	*2 810 423*
Acquisitions	3 193 084	12 321 380	213 407	-	1 743 900	1 489 556	**18 961 328**
Correction of error - Note 34.06						(635 900)	**(635 900)**
Depreciation	**(840 466)**	**(8 708 066)**	**(810 626)**	**-**	**(582 210)**	**(1 269 121)**	**(12 210 489)**
Normal depreciation	(840 466)	(8 708 066)	(810 626)	-	(582 210)	(1 956 656)	(12 898 024)
Correction of error - Note 34.06						687 535	687 535
Carrying values at 30 JUNE 2007	**28 287 934**	**109 546 518**	**14 049 652**	**-**	**2 593 020**	**9 810 287**	**164 287 411**
Cost	***34 819 046***	***198 510 203***	***20 535 658***	***-***	***3 683 800***	***24 967 335***	***282 516 042***
Cost	*34 819 046*	*198 510 203*	*20 535 658*	*-*	*3 683 800*	*24 967 335*	***282 516 042***
Accumulated depreciation	***(6 531 112)***	***(88 963 685)***	***(6 486 006)***	***-***	***(1 090 780)***	***(15 157 048)***	***(118 228 631)***
Cost	*(6 531 112)*	*(88 963 685)*	*(6 486 006)*	*-*	*(1 090 780)*	*(15 157 048)*	*(116 404 772)*

The leased property, plant and equipment is secured as set out in Note 3.

The Municipality identified other properties, plant and equipment, with opening balances and adjustments during the year.

Exemptions taken according to the exemptions gazetted in terms of Government Notice No. 30013 of 29 June 2007 and specifically paragraph 3(2) b of the above-mentioned notice

• Property, Plant and Equipment (GAMAP 17) Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]

• Property, Plant and Equipment (GAMAP 17) Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]

• Property, Plant and Equipment (GAMAP 17) Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]

• Property, Plant and Equipment (GAMAP 17) Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]

• Impairments of Assets (AC 128) Entire Standard

• Investment Property (AC 135) The entire standard to the extent that property is accounted for in terms of GAMAP 17.

• Investment Property (AC 135) Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]

• Intangible Assets (AC 129) The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.

• Non-current Assets Held for Sale and Discontinued Operations (AC142) Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

APPENDIX A

OUDTSHOORN MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Original Loan Amount	Rate	Redeemable	Balance at 30 JUNE 2007	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2008
ANNUITY LOANS							
ABSA	19 284 160	Prime	2009/04	20 071 926	-	-	20 071 926
WITPROP	3 000 000	Prime-0.5%	2015/06	3 380 697	-	(1 361 674)	2 019 023
Development Bank Of South Africa	71 595 000			59 292 561	-	(3 238 669)	56 053 892
Urban Infrastructure Project 10608/1	8 700 000	14.00	2017/09	7 597 321	-	(348 347)	7 248 974
Multiple Infrastructure 101096/1	9 330 000	10.41	2024/09	9 302 594	-	(200 531)	9 102 063
Multiple Infrastructure 101096/2	1 000 000	10.16	2019/09	404 720	-	(17 114)	387 606
Electrification 9017	11 635 000	11.00	2014/03	9 723 751	-	(982 564)	8 741 187
Multiple Infrastructure 101647/1	4 500 000	10.818	2025/12	4 381 579	-	(236 842)	4 144 737
Multiple Infrastructure 101647/2	2 000 000	10.068	2020/06	1 857 143	-	(142 857)	1 714 286
Multiple Infrastructure 101647/3	540 000	10.068	2015/06	447 360	-	(55 920)	391 440
Infrastructure 102003/1	11 000 000	10.588	2025/12	10 710 526	-	(578 947)	10 131 579
Electricity And Water 102292/1	6 570 000	10.618	2026/06	5 761 938	-	(303 260)	5 458 678
Electricity And Water 102292/2	3 230 000	10.618	2016/06	3 205 098	-	(356 122)	2 848 976
Deep Aquifer Hydrogeological 13774	3 300 000	15.67	2021/06	732 791	-	(16 165)	716 626
Infrastructure 102617/1	8 620 000	10.354	2027/06	4 119 557	-	-	4 119 557
Infrastructure 102617/2	1 170 000	10.534	2017/06	1 048 184	-	-	1 048 184
TOTAL ANNUITY LOANS	**93 879 160**			**82 745 183**	**-**	**(4 600 343)**	**78 144 841**
GOVERNMENT LOANS							
IRRIGATION LOAN: RAUBENHEIMERDAM SCHEME - DEPT WATER				15 462	-	(15 462)	-
TOTAL GOVERNMENT LOANS				15 462	-	(15 462)	-
LEASE LIABILITY							
VW Chico CG 6075	71 600	12.01	2010/01	42 277	-	(14 838)	27 439
VW Chico 1.4 CG 5883	71 600	12.01	2010/01	42 277	-	(14 838)	27 439
Nissan 1400 CG 12885	64 600	11.97	2010/01	38 129	-	(13 387)	24 742
Nissan 1400 CG 12934	53 900	11.97	2010/01	31 815	-	(11 169)	20 645
Nissan Hardbody CG 12904	106 400	12.00	2010/01	62 819	-	(22 050)	40 769
Nissan Hardbody CG 12911	112 400	12.01	2010/01	66 370	-	(23 294)	43 076
Nissan UD CG 13784	194 100	12.01	2010/01	114 609	-	(40 225)	74 384
Nissan UD CG 13768	194 100	12.01	2010/01	114 609	-	(40 225)	74 384
Konica Minolta Fotostaatmasjien	13 000	12.19	2010/07	-	13 000	(3 483)	9 517
Nashua Fotostaatmasjien Model 2090	269 500	12.00	2009/12	154 716	-	(56 409)	98 307
Nashua Fotostaatmasjien AF 1055	127 900	11.98	2009/12	73 412	-	(26 769)	46 643
Nashua Copier Model 200IE (Q2866600259)	20 400	11.89	2009/08	15 439	-	(6 636)	8 803
Nashua Copier AF 1027/ PT280	22 300	12.01	2009/08	16 885	-	(7 252)	9 632
Nashua Copier IS 200E (Q2857100678)	17 900	11.93	2009/08	13 549	-	(5 822)	7 727
Ford Ranger CG 21125	98 300	11.97	2010/06	65 819	-	(19 384)	46 435
Ford Ranger CG 21124	98 300	11.97	2010/06	65 819	-	(19 384)	46 435
Ford Ranger CG 21130	91 400	12.01	2010/06	61 220	-	(18 021)	43 198
Ford Ranger CG 21120	76 500	12.01	2010/06	51 240	-	(15 084)	36 157
Ford Ranger CG 21132	120 000	11.98	2010/06	80 355	-	(23 662)	56 693
Ford Ranger CG 21119	76 500	12.01	2010/06	51 240	-	(15 084)	36 157
Ford Ranger CG 21116	98 300	11.97	2010/06	65 819	-	(19 384)	46 435
Nissan UD CG 5451	277 900	12.00	2012/01	260 543	-	(45 356)	215 187
Nissan UD CG 14571	194 500	12.00	2011/12	179 850	-	(32 061)	147 789
Nissan UD CG 14572	194 500	12.00	2011/12	179 850	-	(32 061)	147 789
Nissan UD CG 14570	194 500	12.00	2011/12	179 850	-	(32 061)	147 789
Nissan Hardbody CG 11957	122 200	12.01	2011/11	111 408	-	(20 344)	91 064
Nissan Hardbody CG 11925	119 000	12.02	2011/11	108 495	-	(19 806)	88 689
Nissan Hardbody CG 11934	142 000	11.98	2011/11	129 452	-	(23 649)	105 803
Nissan Hardbody CG 12476	164 100	12.01	2011/11	149 609	-	(27 317)	122 293
Ford Bantam CG 4539	72 600	12.00	2011/11	66 187	-	(12 088)	54 099
Opel Corsa Classic CG 8980	101 000	11.98	2011/11	92 076	-	(16 820)	75 256
Opel Corsa Classic CG 9957	101 000	11.98	2011/11	92 076	-	(16 820)	75 256
Konica Minolta (46017073)	11 600	11.91	2010/07	-	11 600	(3 118)	8 482
Gestetner Model 1502 (H6616900346)	14 500	31.22	2007/07	468	-	(468)	-
VW Citi Golf 1.4 Chico CG23237	76 000	11.98	2013/01	-	76 000	(4 749)	71 251
VW Citi Golf 1.4 Chico GC15063	76 000	11.98	2013/01	-	76 000	(4 749)	71 251
Isuzu KB 250 LWB Base CG23176	109 600	12.01	2013/01	-	109 600	(6 843)	102 757
Isuzu KB 250 LWB Base CG23182	149 800	11.99	2013/01	-	149 800	(9 359)	140 441
Isuzu KB 250 LWB Base CG23180	136 100	12.00	2013/01	-	136 100	(8 500)	127 600
TOTAL LEASE LIABILITY	**4 255 900**			**2 778 280.49**	**572 100**	**(732 569)**	**2 617 812**
TOTAL EXTERNAL LOANS	**98 135 060**			**85 538 926**	**572 100**	**(5 348 373)**	**80 762 652**

APPENDIX B

OUDTSHOORN MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	Value
Land and Buildings										
Land	8 258 775	3 470	51 179	-	8 313 424	-	87	-	87	8 313 336
Buildings	26 560 272	2 187 243	723 168	-	29 470 683	6 531 112	967 486	-	7 498 598	21 972 085
	34 819 046	**2 190 713**	**774 348**	**-**	**37 784 107**	**6 531 112**	**967 573**	**-**	**7 498 685**	**30 285 421**
Infrastructure										
Roads and Streets	89 024 635	13 663 962	630 523	-	103 319 119	39 531 895	4 972 852	-	44 504 747	58 814 372
Sewerage Mains and Purification	21 043 713	1 435 254	-	-	22 478 967	10 077 809	814 092	-	10 891 901	11 587 066
Electricity mains	48 486 911	229 808	23 979	-	48 740 698	18 498 163	2 290 146	-	20 788 310	27 952 388
Electricity Peak Load equipment	546 732	150 967	-	-	697 699	304 804	30 384	-	335 188	362 511
Water Mains & Purification	18 569	32 180	-	-	50 749	16 086	2 155	-	18 240	32 509
Water Reservoirs	3 402 132	2 517 892	1 339 942	-	7 259 966	2 290 197	125 769	-	2 415 966	4 844 000
Water Meters	2 209 991	206 375	345 254	-	2 761 620	610 112	112 348	-	722 460	2 039 160
Water Mains	33 518 596	408 906	25 472	-	33 952 975	17 558 853	1 076 216	-	18 635 069	15 317 906
Landfill Sites	258 924	-	56 636	-	315 560	75 766	12 698	-	88 465	227 095
	198 510 203	**18 645 344**	**2 421 806**	**-**	**219 577 354**	**88 963 685**	**9 436 660**	**-**	**98 400 345**	**121 177 009**
Community Assets										
Parks and Gardens	2 237 248	6 800	-	-	2 244 048	897 672	71 327	-	968 999	1 275 049
Libraries	4 550 967	-	-	-	4 550 967	1 303 708	144 639	-	1 448 347	3 102 621
Recreation Grounds	9 276 262	472 189	-	-	9 748 451	3 106 365	464 603	-	3 570 969	6 177 483
Civic Buildings	4 471 180	69 804	-	-	4 540 984	1 178 261	148 971	-	1 327 232	3 213 752
	20 535 658	**548 793**	**-**	**-**	**21 084 451**	**6 486 006**	**829 540**	**-**	**7 315 546**	**13 768 904**
Heritage Assets										
Historical Buildings	-	2 970	-	-	2 970	-	27	-	27	2 942
	-	**2 970**	**-**	**-**	**2 970**	**-**	**27**	**-**	**27**	**2 942**
Total carried forward	253 864 907	21 387 820	3 196 154	-	278 448 881	101 980 803	11 233 801	-	113 214 604	165 234 277

APPENDIX B

OUDTSHOORN MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost/Revaluation					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	Value
Total brought forward	253 864 907	21 387 820	3 196 154	-	278 448 881	101 980 803	11 233 801	-	113 214 604	165 234 277
Leased Assets										
Leased Office Assets	3 683 800	572 100	-	-	4 255 900	1 090 780	795 323	-	1 886 103	2 369 797
	3 683 800	**572 100**	**-**	**-**	**4 255 900**	**1 090 780**	**795 323**	**-**	**1 886 103**	**2 369 797**
Other Assets										
Office Equipment	10 860 564	909 197	-	30 780	11 738 981	6 665 267	1 141 500	29 884	7 776 883	3 962 099
Furniture and Fittings	438 016	215 574	-	-	653 589	344 294	67 506	-	411 800	241 790
Bins and Containers	511 472	64 454	-	-	575 927	434 849	23 919	-	458 768	117 159
Emergency equipment	1 533 396	43 191	-	-	1 576 587	720 480	103 609	-	824 089	752 499
Motor Vehicles	6 888 291	274 456	-	35 152	7 127 595	4 040 518	432 589	35 152	4 437 955	2 689 640
Fire Engines	1 599 089	-	-	-	1 599 089	310 989	71 562	-	382 551	1 216 538
Refuse Tankers	1 265 408	-	-	-	1 265 408	1 168 203	49 938	-	1 218 141	47 268
Water Vehicle	-	18 442	-	-	18 442	-	293	-	293	18 149
Computer Equipment	1 871 098	733 051	-	-	2 604 149	1 472 447	182 158	-	1 654 606	949 544
	24 967 335	**2 258 366**	**-**	**65 932**	**27 159 768**	**15 157 048**	**2 073 073**	**65 036**	**17 165 085**	**9 994 684**
Total Property, Plant and Equipment	**282 516 042**	**24 218 285**	**3 196 154**	**65 932**	**309 864 549**	**118 228 631**	**14 102 197**	**65 036**	**132 265 792**	**177 598 757**
Intangible Assets										
Intangible Assets	2 433 130	30 740	-	-	2 463 870	2 042 617	149 603	-	2 192 221	271 650
	2 433 130	**30 740**	**-**	**-**	**2 463 870**	**2 042 617**	**149 603**	**-**	**2 192 221**	**271 650**
Total	**284 949 172**	**24 249 025**	**3 196 154**	**65 932**	**312 328 419**	**120 271 248**	**14 251 801**	**65 036**	**134 458 013**	**177 870 407**

APPENDIX C

OUDTSHOORN MUNICIPALITY : SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTY AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Value
Engineers	97 546 647	17 124 027	641 703	-	115 312 377	43 574 289	6 268 042	-	49 842 331	65 470 046
Operational Manager	136 587	-	-	-	136 587	130 903	2 033	-	132 937	3 650
Waste Management	4 505 020	87 787	131 943	-	4 724 750	1 951 610	306 692	-	2 258 302	2 466 448
Electricity	55 384 474	673 016	361 073	-	56 418 563	20 857 703	2 702 512	-	23 560 215	32 858 347
Water	38 506 446	666 776	1 354 234	-	40 527 456	20 948 066	1 282 228	-	22 230 294	18 297 162
Waste Water - Management	22 851 877	1 472 220	-	-	24 324 097	11 109 135	967 953	-	12 077 088	12 247 009
Finance	4 735 418	363 819	-	-	5 099 236	2 549 118	290 085	-	2 839 202	2 260 034
Corporate Manager	13 582 116	101 771	-	-	13 683 887	4 300 151	487 607	-	4 787 758	8 896 129
Council And General	1 216 564	2 354 352	650 835	-	4 221 751	752 339	69 731	-	822 070	3 399 681
Mun. Manager And Tourism	269 850	-	-	-	269 850	215 340	18 841	-	234 181	35 670
Public Safety	3 719 443	128 977	-	-	3 848 419	1 644 308	193 854	-	1 838 162	2 010 257
Community And Social Service	4 385 072	167 119	8 262	-	4 560 452	1 704 898	176 900	-	1 881 799	2 678 654
Community And Social Service	4 365 120	29 915	-	-	4 395 035	1 133 965	154 204	-	1 288 169	3 106 865
Housing And Health	1 800 964	-	8 160	35 152	1 773 972	1 141 506	41 620	35 152	1 147 975	625 997
Planning And Development	9 491 609	-	-	-	9 491 609	413 484	90 254	-	503 737	8 987 872
Sport And Recreation	11 967 402	162 312	39 944	-	12 169 658	3 781 992	507 677	-	4 289 669	7 879 990
Sport And Recreation	10 485 215	916 936	-	30 780	11 371 370	4 063 090	691 569	29 884	4 724 775	6 646 595
TOTAL	**284 949 822**	**24 249 025**	**3 196 154**	**65 932**	**312 329 069**	**120 271 898**	**14 251 801**	**65 036**	**134 458 663**	**177 870 407**

APPENDIX D
MAKANA MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008
MUNICIPAL VOTES CLASSIFICATION

2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)	Description	2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
R	R	R		R	R	R
55 364 845	(32 081 208)	23 283 637	Executive & Council	85 264 443	(45 061 163)	40 203 280
1 007 760	(25 697 993)	(24 690 233)	Finance & Admin	12 004	(19 738 784)	(19 726 780)
-	-	-	Planning & Development	-	(2 818 699)	(2 818 699)
3 789 198	(5 290 815)	(1 501 617)	Public Safety	5 042 810	(6 823 327)	(1 780 516)
582 457	(671 517)	(89 060)	Health	-	(27 721)	(27 721)
467 837	(2 879 818)	(2 411 981)	Community & Social Services	-	(3 444 682)	(3 444 682)
2 215 199	(9 466 237)	(7 251 038)	Sport & Recreation	1 601 445	(11 504 085)	(9 902 640)
6 237	(4 548 534)	(4 542 297)	Housing	-	(11 894 858)	(11 894 858)
9 080 913	(8 326 907)	754 006	Waste Management	8 430 844	(8 048 223)	382 621
619 667	(14 521 876)	(13 902 209)	Road Transport	762 668	(10 012 583)	(9 249 916)
15 696 230	(8 800 998)	6 895 231	Waste Water Management	13 063 472	(14 200 566)	(1 137 094)
21 519 109	(9 950 279)	11 568 829	Water	24 343 473	(9 686 233)	14 657 240
59 494 993	(40 565 639)	18 929 355	Electricity	62 813 149	(44 877 160)	17 935 989
-	-	-	Other	-	(986 671)	(986 671)
169 844 444	**(162 801 822)**	**7 042 622**	Sub-Total	**201 334 308**	**(189 124 754)**	**12 209 554**
-	1 465 012	1 465 012	Less: Inter-departemental Charges	-	-	-
169 844 444	**(161 336 810)**	**8 507 634**	**Total**	**201 334 308**	**(189 124 754)**	**12 209 554**

APPENDIX D1
OUDTSHOORN: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008
GENERAL FINANCE STATISTICS CLASSIFICATION

2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)	Description	2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
R	R	R		R	R	R
55 364 845	(32 081 208)	23 283 637	Executive & Council	85 264 443	(45 554 649)	39 709 794
611 124	(12 769 760)	(12 158 636)	Budget & Treasury	12 004	(11 493 158)	(11 481 154)
396 636	(12 928 233)	(12 531 597)	Corporate Services	-	(7 752 140)	(7 752 140)
-	-	-	Planning & Development	-	(2 818 699)	(2 818 699)
3 789 198	(5 290 815)	(1 501 617)	Public Safety	5 042 810	(6 823 327)	(1 780 516)
582 457	(671 517)	(89 060)	Health	-	(27 721)	(27 721)
467 837	(2 879 818)	(2 411 981)	Community & Social Services	-	(3 444 682)	(3 444 682)
2 215 199	(9 466 237)	(7 251 038)	Sport & Recreation	1 601 445	(11 504 085)	(9 902 640)
6 237	(4 548 534)	(4 542 297)	Housing	-	(11 894 858)	(11 894 858)
9 080 913	(8 326 907)	754 006	Waste Management	8 430 844	(8 048 223)	382 621
619 667	(14 521 876)	(13 902 209)	Road Transport	762 668	(10 012 583)	(9 249 916)
15 696 230	(8 800 998)	6 895 231	Waste Water Management	13 063 472	(14 200 566)	(1 137 094)
21 519 109	(9 950 279)	11 568 829	Water	24 343 473	(9 686 233)	14 657 240
59 494 993	(40 565 639)	18 929 355	Electricity	62 813 149	(44 877 160)	17 935 989
-	-	-	Other	-	(986 671)	(986 671)
169 844 444	**(162 801 822)**	**7 042 622**	Sub-Total	**201 334 308**	**(189 124 754)**	**12 209 554**
-	1 465 012	1 465 012	Less: Inter-departemental Charges	-	-	-
169 844 444	**(161 336 810)**	**8 507 634**	**Total**	**201 334 308**	**(189 124 754)**	**12 209 554**

APPENDIX E(1)

OUDTSHOORN MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2008

	2008 Actual (R)	2008 Total Actual	2008 Budget (R)	2008 Variance (R)	2008 Variance (%)
REVENUE					
Property rates	29 765 724	29 765 724	44 030 396	(14 264 672)	-32.40%
Service charges	106 672 010	106 672 010	111 674 328	(5 002 318)	-4.48%
Rental of facilities and equipment	1 824 729	1 824 729	2 161 766	(337 037)	-15.59%
Interest earned - external investments	12 088 589	12 088 589	-	12 088 589	0.00%
Interest earned - outstanding debtors	1 441 015	1 441 015	859 459	581 556	67.67%
Fines	726 825	726 825	1 953 091	(1 226 266)	-62.79%
Licences and permits	1 187 537	1 187 537	3 584 651	(2 397 114)	-66.87%
Income for agency services	2 853 026	2 853 026	-	2 853 026	0.00%
Government grants and subsidies	40 239 612	40 239 612	948 380	39 291 232	4142.98%
Other income	4 465 706	4 465 706	5 304 909	(839 203)	-15.82%
Third Party Payments	30 359	30 359	-	30 359	0.00%
Gains on disposal of property, plant and equipment	39 176	39 176	-	39 176	0.00%
Total Revenue	***201 334 308***	***201 334 308***	***170 516 980***	***30 817 328***	**18.07%**
EXPENDITURE					
Executive & Council	45 554 649	45 554 649	27 120 645	18 434 004	67.97%
Budget & Treasury	11 493 158	11 493 158	13 535 404	(2 042 246)	-15.09%
Corporate Services	7 752 140	7 752 140	10 000 000	(2 247 860)	-22.48%
Planning & Development	2 818 699	2 818 699	2 925 335	(106 636)	-3.65%
Public Safety	6 823 327	6 823 327	6 353 771	469 556	7.39%
Health	27 721	27 721		27 721	0.00%
Community & Social Services	3 444 682	3 444 682	3 311 297	133 385	4.03%
Sport & Recreation	11 504 085	11 504 085	10 254 478	1 249 607	12.19%
Housing	11 894 858	11 894 858	2 177 039	9 717 819	446.38%
Waste Management	8 048 223	8 048 223	9 246 588	(1 198 365)	-12.96%
Road Transport	10 012 583	10 012 583	1 840 566	8 172 017	443.99%
Waste Water Management	14 200 566	14 200 566	20 985 545	(6 784 980)	-32.33%
Water	9 686 233	9 686 233	11 164 344	(1 478 110)	-13.24%
Electricity	44 877 160	44 877 160	49 033 652	(4 156 492)	-8.48%
Other	986 671	986 671	1 433 132	(446 460)	
Total Expenditure	***189 124 754***	***189 124 754***	***169 381 795***	***19 742 959***	**11.66%**
NET SURPLUS/(DEFICIT) FOR THE YEAR	***12 209 554***	***12 209 554***	***1 135 185***	***11 074 368***	**975.56%**

APPENDIX E(2)

DTSHOORN MUNICIPALITY: SEGMENTAL ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2
Acquisition of Property, Plant and Equipment

	2008 Actual	2008 Budget	2008 Variance	2008 Variance
	R	R	R	%
Executive & Council	3 007 828	800 000	2 207 828	275.98%
Budget & Treasury	327 199		327 199	912683.00%
Corporate Services	673 871	-	673 871	0.00%
Public Safety	128 977	210 000	(81 023)	-38.58%
Community & Social Services	205 295	2 322 000	(2 116 705)	-91.16%
Sport & Recreation	1 119 192	1 470 000	(350 808)	0.00%
Housing	8 160	30 234 603	(30 226 443)	0.00%
Waste Management	219 730	4 602 000	(4 382 270)	-95.23%
Road Transport	17 168 326	17 768 331	(600 005)	-3.38%
Waste Water Management	1 472 220	350 000	1 122 220	320.63%
Water	2 021 009	6 855 100	(4 834 091)	-70.52%
Electricity	1 034 043	2 555 000	(1 520 957)	-59.53%
Other		2 250 000		
Total	**27 385 850**	**69 447 034**	**(39 811 184)**	-57.33%

APPENDIX F

OUDTSHOORN MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 1 JULY 2007	Contributions during year and other income	Expenditure during year Transferred to Revenue	Transfers	Balance at 30 JUNE 2008
	R	R	R		R
Equitable Share		17 205 264	17 205 264		-
Garden Route Central Karoo Municipality Cleaning Operation	17 071	-	17 071		-
Spatial Development ODN Prov.	651	651	1 302		-
Prodiba Driving License	41 739	190 548	232 286		-
Section 12 Receipts	111 200	-	-		111 200
IMBEZO	42 033	-	42 033		-
Development 3 Flats 32 St John Street	12 699	-	12 699		-
Integrated Development Plan	34 511	-	34 511		-
Furniture Mayor & Secretary	188	-	188		-
Financial Software Grant/Donation	30 665	-	-		30 665
Integrated housing development	220 039	10 177 804	6 070 791	-4 546 484	-219 433
Feasibility Study	-		14 861		-14 861
Recovery Plan	-		248 546		-248 546
Local Government Financial Management Grant	-	500 000	603 641		-103 641
Municipal Systems Improvement Grant	-	1 000 000	-		1 000 000
CDW operational support grant	-	54 000	-		54 000
Library Services	-	293 975	-		293 975
Receiling of roads - Eden	-	1 500 000	1 500 000		-
Rehabilitation of Sewerage works - Eden	-	500 000		358 625	858 625
MIG	5 385 862	5 155 000	8 181 338		2 359 524
Electricity 2007 KKNK	7 142	14 678	7 142		14 678
A van Greunen & Department of Transport	154 019	-	154 019		-
NGK D/Rust Electricity Connections 15 plots	42 509	-	42 509		-
K Spies Electricity Connections T/Rust	8 062	-	8 062		-
Ben Vrey Electricity Connections Plot 1393	11 887	-	11 887		-
Van Coller Electricity Connections Plot 7115	29 800	-	29 800		-
Human Resources Development	132 800	-	-		132 800
ODN Taxi Terminal	498 178	-	-		498 178
Greater ODN Public Transport	-		549 579	178 590	-370 989
HIGH WAY 34	-		1 672 339	-	-1 672 339
MIG - Upgrading Pavements	-		-	2 815	2 815
ODN Tip sites - Phase 2	-		-	23 743	23 743
Centrum HIV/AIDS MIG	-		-	208 869	208 869
MIG 06/07	-		-	169 125	169 125
Flood Damage DPLG	-		-	3 405 697	3 405 697
Schoemanshoek Water	-		90 769	-	-90 769
Upgrading of Sportfields	-		-	199 021	199 021
Rehabilitation of Streets	-	-	265 172		-265 172
Plan Sewerage Phase	-	-	1 973 508		-1 973 508
Eden DM Storm Water Service	-	250 000	106 838		143 162
Unspent DORA Grants	-	-	-		-
Replacement of Water Pipe Eden District Municipality	10 594	-	10 594		-
Tourism Community Training	19 123	-	19 123		-
Matjiesriver Quilt Project	1 264	-	1 264		-
Craft Market Baron v Reede Street	12 290	-	12 290		-
Upgrading Smartie Town Heritage	39 718	-	39 718		-
Road Signs Bong Post Bus Project	2 280	-	2 280		-
Upgrading Sewerage Pipe	8 856	-	8 856		-
Electrification Network Master Plan	0	-	0		-
NLDTF Construction 13916	80 611	-	-		80 611
Bicycle Road / Pedestrian FAS (Prov)	934 191	-	737 537		196 653
NLDTF Lottery Bridgton Sport Grounds	297 158	-	45 536		251 622
Bongolethu Toll Road	26 485	-	11 527		14 958
Multiple Community Centre for the Poor	3 500 000	1 500 000	-		5 000 000
T/Safety Project D/Clean Eden Municipality	6 081	-	6 081		-
Provincial Housing OMG Impact Stud	63 000		-		63 000
ODN Spatial Development Grant	80 000		-		80 000
Housing Council 54 Houses Sold	268 650		268 650		-
Donation N.A Smit	117 303		-		117 303
	-				-
	12 248 658	**38 341 919**	**40 239 612**	**-0**	**10 350 965**

No grants have been withheld.

APPENDIX G
OUDTSHOORN MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2008

Name of municipality:	Oudshoorn Municipality	**Demarcation Code:**	
		Date completed:	02-Oct-09
		Financial period:	07-08
Capacity category:	**Low Capacity**	**(delete whichever not applicable)**	

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Presentation of financial statements (GRAP 1)	• Preparation of GRAP compliant financial statements. • Challenges as listed below.	Comply fully	CFO	*AFS 30 June 2008*
Cash flow statements (GRAP 2)	• Obtain a thorough understanding of the format of the cash flow statement. • No challenges to overcome.	Comply fully	CFO	*AFS 30 June 2008*
Accounting policies, changes in accounting estimates and errors (GRAP 3)	• An accounting policy has been prepared • The municipality has appointed external specialists to assist with the implementation of GRAP and to capacitate the preparers of the financial statements with the disclosure requirements of GRAP 3 • The municipality will have to investigate what the potential impact of Standards approved but not yet effective may be on the annual financial statements	Comply fully Comply fully The municipality will achieve this milestone	CFO	*AFS 30 June 2008 (excluding par 14,19 and 29-31)* *AFS 30 June 2010*
The Effects of Changes in Foreign Exchange Rates (GRAP 4)	• The municipality is not involved in any foreign currency transactions.	Comply fully	CFO	*AFS 30 June 2008*
Consolidated and Separate Financial Statements (GRAP 6)	• The municipality has established through a review that it does not have any entities in which it has a controlling interest.	Comply fully	CFO	*AFS 30 June 2010*
Investments in Associates (GRAP 7)	• The municipality has established through a review that it does not have any entities over which it has significant influence.	Comply fully	CFO	*Completed*
Interests in Joint Ventures (GRAP 8)	• The municipality has established through a review that it is not involved in any public private partnerships which may constitute a joint venture.	Comply fully	CFO	*Completed*
Revenue from Exchange Transactions (GRAP 9)	• The municipality will review all revenue sources in order to establish compliance with this Standard. • External specialists have been appointed to assist with the review. • The potential impact of paragraph 12 and SAICA Circular 09/06 will have to be assessed.	Comply fully Comply fully The municipality will achieve this milestone. The municipality will use indexed global amounts for restatement as the information systems do not provide for the daily calcualtions needed to implement fair value	CFO	*Completed* *Completed* *30 June 2010.*
Construction Contracts (GRAP 11)	The municipality does not believe it is involved in	The municipality does	CFO	*30 June 2010.*
Inventories (GRAP 12)	• The municipality will review the Standard in order to understand its requirements.	The municipality will achieve this milestone	CFO	*30 June 2010.*

APPENDIX G
OUDTSHOORN MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2008

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Leases (GRAP 13)	• The municipality complies fully with the Standard • The municipality must review all its lease agreements in order to establish if any of these payments should be "smoothed" as per the Standard	Comply fully The municipality will achieve this milestone	CFO	*30-Jun-09* *30-Jun-09*
Events after the Reporting Date (GRAP 14)	• The preparers of the financial statements will have discussions with senior officials and its lawyers in order to determine if any events after reporting date has occurred	Comply fully	CFO	*Annually*
Investment Property (GRAP 16)	• The municipality is in process to review the Standard in order to ensure fully compliance.	In process to ensure completeness of investment property on the FAR	CFO	*30-Jun-09*
Property, Plant and Equipment (GRAP 17)	• The municipality has performed a physical verification of its PPE and prepared a fixed asset • An accounting policy regarding the PPE should be reviewed and approved. • Infrastructure assets should be identified and valued by engineers. In process of completion. • Review of useful life of item of PPE recognised in the annual financial statements. • Review of the depreciation method applied to PPE recognised in the annual financial statements. • Impairment of non-cash generating assets. • Impairment of cash generating assets.	Continuous process Comply fully The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone. The municipality will achieve this milestone.	CFO	*Completed* *30-Jun-08* *30-Jun-11* *30-Jun-09* *30-Jun-09* *30-Jun-09* *30-Jun-09*

APPENDIX G
OUDTSHOORN MUNICIPALITY
IMPLEMENTATION PLAN FOR THE YEAR ENDED 30 JUNE 2008

Financial reporting standard	**Milestones to be achieved to comply with the standard** *[include the key challenges that have to be overcome]*	**Amendment to milestone and or achievement of milestone** *[include whether the milestones have been achieved or not, the reasons for amendments to the milestones and the reasons for non-achievement]*	**Person responsible**	**Estimate date of compliance** *[must begin after exemption period and take the transitional provisions of the standards into account]*
Provisions, Contingent Liabilities and Contingent Assets (GRAP 19)	• The municipality has appointed external specialists to assist with the identification of potential provisions, liabilities and contingent assets.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Non-current Assets held for Sale and Discontinued Operations (GRAP 100)	• The municipality implemented this standard.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Agriculture (GRAP 101)	• The municipality has established through a review that it does not have any transactions or perform any	Comply fully	CFO	*Completed*
Intangible assets (GRAP 102)	• The municipality has appointed external specialists to assist with the identification of potential intangible assets • The asset register needs to be adjusted in order capture all intangible assets. • An accounting policy needs to be drafted for the treatment of intangible assets	Comply fully Comply fully Comply fully	CFO	*30 June 2008 for computer software.* *30 June 2010 for all other intangible assets, if any*
Financial Instruments: Disclosures (IFRS 7/AC 144)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Income Taxes (IAS 12/AC 102)	• Not applicable to this municipality.	Comply fully		
Employee benefits - (IAS	• The municipality will request for quotations for the Once the value of the potential liability is calculated, the municipality will determine a phasing-in policy for the provision of the total liability.	The municipality will	CFO	*30-Jun-09*
Accounting for Government Grants and Disclosure of Government Assistance (IAS 20/AC 134)	• The municipality believes this Standard is not applicable as the transitional provisions in GRAP 9 and in future GRAP 23 requires a different treatment.	• The municipality believes this Standard is not applicable as the transitional provisions in GRAP 9 and in future GRAP 23 requires a	CFO	*30-Jun-09*
Financial Instruments: Presentation (IAS 32/AC 125)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Impairment of Cash-generating Assets (IAS 36/AC 128)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Financial Instruments: Recognition and (IAS 39/AC 133)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will achieve this milestone.	CFO	*30-Jun-09*
Impairment of non-cash- (IPSAS 21)	• The municipality needs training and clarification on the impact and requirements of this Standard.	The municipality will	CFO	*30-Jun-09*